

DELAWARE MANUFACTURING HOME RELOCATION AUTHORITY

1675 S. State Street

Dover, Delaware

Minutes of September 19, 2012

IN ATTENDANCE:

Authority: Anthony J. Testa, Jr., Chairman
Rick Lemire
Andy Strine
Mitch Crane
George Meldrum
Kevin Carroll (non-voting member)
Susanne Lantz (Administrative Assistant)

Other Attendees: Fred Neil, Citizen, Wild Meadows

I. CALL TO ORDER:

Mr. Testa called the meeting to order at 1:00 p.m.

Mr. Testa stated the appointments for Mr. Lemire and Mr. Strine end on 3 November 2012. The Board appreciates the service and contributions of both Board Members.

II. UNFINISHED BUSINESS:

A. COMPLIANCE INVESTIGATION POLICY (COMMITTEE REPORT):

Mr. Testa stated we have a draft of the policy prepared by Mr. Strine and Mr. Carroll. Mr. Strine outlined the reason for the Compliance Policy to direct Mr. Speraw on where and how to investigate. Mr. Testa handed out a copy of Mr. Speraw's contract to everyone.

Mr. Speraw's contract is a day to day contract at the moment. Mr. Strine believed that Mr. Speraw should go out if a community is not paying to see what is going on. Mr. Testa stated that the policy is a synopsis of Mr. Speraw's contract. Mr. Lemire stated that it should go through the Administrative Assistant and that a work order should be issued that gives explicit directions to the Compliance Investigator. The Board directed Ms. Lantz to create a work order form. Mr. Testa stated that he would like to take the proposal and rework it to incorporate everything. Ms. Lantz questioned who would approve his timesheet and mileage? Mr. Testa stated that Ms. Lantz would be directed by the Board to approve his investigation and therefore could approve this. Mr. Crane questioned if the Authority should not inform Mr. Speraw of the changes? Mr. Testa stated the Board wanted to establish a policy that should not change the contract. Mr. Strine stated he will try to incorporate everything that was said into the policy.

B. DIRECTORS & OFFICERS LIABILITY INSURANCE (MR. TESTA):

Mr. Testa was asked to provide a specimen of a possible policy to the Board. Mr. Testa stated that there is no insurance for the Authority and he looked into getting coverage for the Authority. A discussion ensued if there was a necessity; also the cost of this was questioned. Mr. Testa stated that only one insurance company was willing to underwrite such a policy which was Zurich Insurance. Mr. Crane stated that the Board consists of volunteers and this applies to all Boards or HOA's, you would not find anyone to to that if there was a personal liability. Mr. Strine made the motion not to purchase such an insurance for the Authority, Mr. Lemire seconded the motion. All Board Members present by voice vote agreed unanimously.

C. ORGANIZATIONAL PROCEDURES (MR. TESTA):

Mr. Testa stated he was not able to update this yet. It remains unfinished business until the next Board Meeting.

D. FINANCIAL PRACTICES POLICY & COMMITTEE FORMATION (MR. TESTA):

Mr. Testa wanted something in place that outlines the handling and processing of invoices and Authority money. Mr. Strine stated that the function of the Board is the Relocation Assistance. Mr. Strine stated that in the past it took a long time for people to receive the relocation money, it was very cumbersome. Mr. Lemire stated the claims come in at different intervals and you have a certain amount of time to decide and respond. Mr. Strine stated he would like to implement this into the policy. Mr. Lemire stated a date when applications would be reviewed would be helpful instead of having two Board Meetings a week.

Mr. Testa stated that Santora Group has a financial policy and he was working on getting and reviewing it. Mr. Testa questioned who would be willing to assist him with drafting such a policy? Mr. Strine agreed to assist Mr. Testa.

E. FOIA PROCESS & PROCEDURES (MS. LANTZ):

Mr. Testa stated that Ms. Lantz drafted a procedure that is based on the procedure by DOI. Ms. Lantz stated that requests come in and it costs a certain amount of money and time, she would like to have something in place, especially since other organizations charge for time and cost.

The Board discussed this matter. What is a reasonable for the cost of assembling this information, especially if the documents are held by the Accounting Firm? Mr. Crane questioned, what is considered reasonable? Mr. Crane stated he has no problem charging pro page and receiving the payment up front. It was agreed that the Authority will charge a set fee of \$25. A good faith secondary deposit must be provided in the amount of \$25.00 if the copying is over 100 pages. The requestor will receive the difference back if the deposit amount exceeds the number of copies. The request form will be changed from the wording of "RTA" to "the Authority".

Mr. Testa made the motion that once the policy and procedures have been revised it will be published to the website. Mr. Strine seconded the motion. The Board unanimously agreed.

F: JOINT SUNSET COMMITTEE REVIEW – REQUEST FOR INTERIM REPORTING (MR. TESTA) – PROPOSAL TO FORM JSC REPORTING COMMITTEE

Mr. Testa stated that the Questionnaire will be due on 28 September 2012. Mr. Testa had Ms. Lantz start working on the new questionnaire. Mr. Testa asked who would like to be on the JSC Committee? Mr. Crane and Mr. Meldrum volunteered to head the committee. Mr. Crane also believed that the Chair needed to be involved. Mr. Testa will review the draft and answer questions that Ms. Lantz could not.

Mr. Crane asked if there was a set date for the hearing? Mr. Testa stated that there was no set date yet. Usually public hearings are in March or April.

Mr. Lemire stated that everyone should have received a copy last year's JSC Questionnaire.

Mr. Testa asked Ms. Lantz to make another copy for Mr. Crane. Mr. Testa will run the final by the Board before it is turned over to JSC.

G. FEDERAL TAX MATTERS (MR. TESTA)

Mr. Testa brought up the issue of federal taxes and if this applies to the Authority.

Mr. Testa had mentioned this to Mr. Carroll before the last Board Meeting started. Mr. Carroll had not had time to take a look, but would once upon his return to his office.

Mr. Testa stated per statute the money would go back to the constituents that paid into the Trust Fund. Mr. Testa believed that we can't ignore the federal taxes, we need to find out if it applies to the Authority or not.

H. AUTHORITY PROPOSED AMENDMENT TO SB 213 (MR. CRANE)

Mr. Crane stated that Senator Bunting brought up the issue of structures with a permanent foundation that would be exempt from the Trust Fund assessment. The bill passed the Senate. According to Representative Kowalko this was rejected by the House and would not be brought up again as Senator Bunting is retiring. Mr. Crane stated that if the Authority believes that it need to be brought up again, we can discuss it in the future. Mr. Strine believed that there is an exemption if it is not a mobile home on rented ground than it is exempt and he believed that this is the point they were arguing. Mr. Strine stated he did not think the Authority needed to get involved unless it was addressed again.

I. HOA REGISTRATION NOTIFICATION (MR. TESTA/MS. LANTZ)

Mr. Testa stated that Ms. Lantz pointed that a lot of the information was not current. It was agreed to send out a registration notice to all registered HOA's that they need to update us with new information. Ms. Lantz stated that about ten HOA's replied to the letter and we will send it out every year.

J. PROPOSED MAXIMUM BENEFIT PAYABLE TO OWNERS OF NON-RELOCATABLE HOMES

Mr. Testa stated we can either establish a limit or leave it in place as it is now with no limit. Mr. Testa believed that we should have a limit. What is the opinion of the other Board Members?

Mr. Lemire questioned on how to deal with mobile homes that go in the \$100,000 range versus older mobile homes? Mr. Strine stated that it is a bare minimum policy. Mr. Testa this could impact the Trust Fund severely and the Board needs to create something. Mr. Lemire believed the monthly fees need to be adjusted. A discussion ensued regarding this matter.

Mr. Testa asked should the Authority have a maximum benefit? The Board agreed that the Authority should. Mr. Strine stated in today's market it would cost about \$10,000 to relocate a doublewide. Mr. Crane stated that the Authority should not pay to relocate what was added on, but just the home. It was decided that Mr. Strine give some approximate figures on the costs involved to move a home and what categories are being looked at to determine the cost. The Board agreed to move on once they have the numbers.

K. REQUEST TO PURCHASE SCANNER FOR AUTHORITY (MR. TESTA)

Mr. Testa stated there is no need to discuss this as the Authority has a scanner and Ms. Lantz can scan in all documents into a PDF format.

L. USE OF RECORDING DEVICES AT BOARD MEETINGS (MR. CRANE)

After extended Board discussion, it was agreed that the Board will not prohibit the use of recording devices at public meetings.

III. NEW BUSINESS:

A. RECENT DEVELOPMENTS:

1. Status of MOU with State Auditor's Office (Mr. Testa)

Mr. Testa received an MOU from the State Auditor's Office that they require the Authority to sign. Mr. Testa has corresponded with the State Auditor's Office in regard to this. According to Mr. Lemire, the past Board Chair and Mr. Neil, a past Board Vice-Chair, they never signed a MOU with the State Auditor's Office. Mr. Testa stated he has a problem with this MOU since it takes the control away from the Authority. The Board gave Mr. Testa permission to go back to the State Auditor's Office and tell them that the Authority would like to choose who is auditing the Authority's records. Mr. Testa does not understand why the Authority has to sign this and does not see a reason to.

Mr. Testa stated that we have no negotiation capabilities if the Authority signs this MOU. Mr. Lemire stated this is a fight we might not be able to win.

Mr. Lemire was wondering if the statute can't be changed to eliminate an annual audit? Why not be audited every few years? Mr. Crane stated he is opposed to signing this if we can't control anything. Mr. Crane stated that the Authority is more than willing to put the bid for audit out ourselves. Mr. Testa proceeded to read part of his email exchange with the State Auditor's Office.

The Board would not authorize that the MOU be signed and Mr. Testa would respond accordingly to the State Auditor's Office.

2. Status of Contract with BDO (Mr. Testa)

The Authority received an Engagement Letter from BDO the end of June 2012. Mr. Testa was asked to sign it; he has not done so yet. Mr. Testa had revised the Engagement Letter to include certain language. Mr. Testa heard from Mr. Thomas that they were reviewing the Authority's comments. Once Mr. Testa receives it back from BDO he will share it with the Board.

3. Possible Additional Board Meetings (All)

The next Board meeting is scheduled for 28 November, do we want to have another Board meeting before this? Mr. Lemire and Mr. Strine did not think there was a necessity for an additional meeting at this time.

4. Sub-Lease Agreement with FSMHA

The annual rent will go up to \$265 a month and Mr. Testa distributed copies of the sub-lease to all BoardMembers.

Mr. Testa made the motion to accept the sub-lease for the period of 1 December 2012 – 30 November 2013. Mr. Lemire seconded the motion. All Board Members present by voice vote agreed unanimously. Mr. Strine did not vote as he is the landlord for FSMHA.

5. GASB 61

Mr. Lemire received the notice for GASB 61 and had no idea what it was. GASB stands for Governmental Accounting Standards Board. It regulates all Governmental auditing standards nationally. GASB took effect June 15, 2012.

The Authority needs to figure out what to complete for the checklist. Mr. Testa will complete a proposed checklist and share it with the Board (for review).

VIII. ADJOURNMENT:

As there was no further business before the Board, the motion was made for adjournment by Mr. Testa and seconded by Mr. Strine. After unanimous approval from the members present, the meeting was adjourned at 3.40 p.m.

Respectfully submitted,

Susanne Lantz
Administrative Assistant and
Anthony J. Testa, Jr., Chairman